



State of Utah

School and Institutional
TRUST LANDS ADMINISTRATION

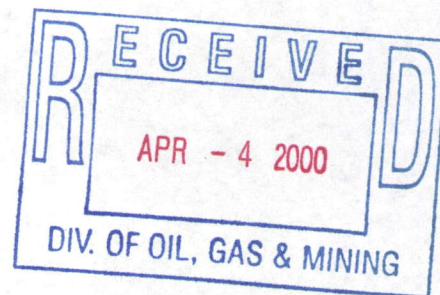
Michael O. Leavitt
Governor

David T. Terry
Director

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801-355-0922 (Fax)
<http://www.trustlands.com>

S/053/063

March 31, 2000



Dell Pulsipher
1016 East Summit Ridge Dr.
St. George, UT 84790

RE: ML 44866-Building Stone; T43S, R15W, SLB&M, Section 15, S2NE4, S2, Washington Co.

Dear Mr. Pulsipher,

Article III of the terms and conditions of the above numbered mineral lease require the Lessee to comply with all applicable laws and regulations of the of the State of Utah. The Utah Division of Oil Gas & Mining requires that you file a notice of intent and obtain Division approval prior to performing any mining or quarrying operations or removing any building stone from the lands within ML 44866. In checking the records of the Division of Oil, Gas & Mining it appears that you currently have no active mining permit or approval to operate upon the leased lands.

Please immediately file a notice of intent with the Division of Oil, Gas & Mining and do not remove any stone from the leased lands unless or until you are fully in compliance with all applicable laws and regulations with regard to mining or quarrying activities.

Also, pursuant to Article XII of the terms and conditions of the lease, please immediately submit to the Trust Lands Administration an updated copy of your existing and proposed plans of operation upon the leased lands, and complete documentation regarding any alleged trespasses upon the lands.

Failure of the Lessee to comply with all of the terms and conditions of the lease may subject the lease to forfeiture. Please contact me if you have any questions in this matter.

Sincerely,

John T. Blake
Mineral Resources Specialist

cc: Wayne Hedberg

